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THE MISSION AND ROLE OF THE FINANCE CORPS - 1995 AND BEYOND,
WILL THERE BE ONE?

BY

Lieutenant Colonel Roland A. Arteaga
United States Army

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19. Abstract

During the Program Budget Decision cycle of October to December 1991, an adjustment to Defense Management Review Decision No. 910, dated January 1991, was issued and approved by the Department of Defense. In essence, the decision directed the Defense Finance and Accounting Service (DFAS) to assume full control, and consolidate and capitalize all finance and accounting functions of the DOD components. Additionally, the mandate dictated that the implementing group conduct a study to determine the "disposition of the tactical finance and accounting function." This edict has caused much consternation and concern among the Finance Corps, and begged the question of survivability. The purpose of this paper is to shed some light on the issue, and ascertain whether the United States Army Finance Corps has had and continues to have a vital role in our Army; and if so, to examine the changes necessary to ensure its place in tomorrow's tailored force.

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THE MISSION AND ROLE OF THE FINANCE CORPS -- 1995 AND BEYOND,
WILL THERE BE ONE?

AN INDIVIDUAL STUDY PROJECT

by

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ABSTRACT

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During the Program Budget Decision cycle of October to December 1991, an adjustment to Defense Management Review Decision No. 910, dated January 1991, was issued and approved by the Department of Defense. In essence, the decision directed the Defense Finance and Accounting Service (DFAS) to assume full control, and consolidate and capitalize all finance and accounting functions of the DOD components. Additionally, the mandate dictated that the implementing group conduct a study to determine the "disposition of the tactical finance and accounting function." This edict has caused much consternation and concern among the Finance Corps, and begged the question of survivability. The purpose of this paper is to shed some light on the issue, and ascertain whether the United States Army Finance Corps has had and continues to have a vital role in our Army; and if so, to examine the changes necessary to ensure its place in tomorrow's tailored force.

**THE MISSION AND ROLE OF THE FINANCE CORPS -- 1995 AND BEYOND:
WILL THERE BE ONE?**

INTRODUCTION

"In order to realize additional economies, the Defense Finance and Accounting Service could assume management responsibility for the finance and accounting functions of the DOD Components and consolidate those functions into a limited number of locations...Accordingly, it is directed that an implementation group be formed to develop a plan for capitalizing and consolidating applicable functions...The study should include a recommendation for the disposition of the tactical finance and accounting operations." ¹

Not exactly music to my ears nor the ears of approximately 850 Officers and 6300 Non-Commissioned Officers and junior enlisted personnel faithfully serving in the United States Army Finance Corps.² The above passage is an edict from the Department of Defense (DOD), in the form of Program Budget Decision (PBD) No. 910, to the Defense Finance and Accounting Service (DFAS) to consolidate finance and accounting functions -- across DOD Components -- and to assess the viability and need of a TOE (Table of Organization and Equipment) Finance Corps. Although this is not the first such challenge in our long and illustrious history, it is, in my opinion, the most formidable to date.

The elimination of the Finance Corps is one of the hottest issues within the Assistant Secretary of the Army for Financial Management (ASA(FM)) community. Rarely a day goes by that either

message traffic, phone conversations, or personal discussions do not take place concerning the implications of PBD 910 and the future of "the Corps." Typical questions include: "Will there be a Finance Corps in the outyears?" "Are we being merged?" "Should I branch transfer?" "Is the Corps being civilianized?" "What advice do I give junior officers and enlisted personnel; should they stay in or get out?" Unfortunately, answers are vague at best, a "tap dance" of sorts, since no one (whom I have met) can give an emphatic yea or nay. Patience is wearing thin among the Corps' future leaders, and our finance soldiers and civilians are getting tired of being put "on hold."

What events led to this uncertainty; and what of the Finance Corps -- does it have a future? Is there a place for the Finance Corps in tomorrow's Army? The purpose of this study is to provide some background to this current dilemma, to elaborate on the Finance Corps' role, and to ascertain whether such a role remains vital to our future Army. Methodology employed will briefly touch on our history and contributions over time, draw on our most recent experience in the Gulf war (our role, and whether or not we were a combat multiplier), and if appropriate, propose alternatives to peacetime doctrine and current force structure that will enable us to retain a tactical finance and accounting organization.³

BACKGROUND

With the demise of the Cold War and the collapse of the Soviet

Union, a change in venue has occurred within our government. Domestic issues, such as the economy, health care, and drugs are now in the forefront of our daily lives, and once again, the defense budget is atop every politician's decrement list. As the President's FY 92/93 Budget so vividly points out, Defense and Army outlays are steadily declining, manpower cuts are occurring daily, and now, an additional cut of \$50 billion (announced by the President in his State of the Union of January 1992) has been directed.⁴ This is merely the beginning, however, for the House has recently proposed an additional \$7.5 billion reduction in defense spending for FY 93.⁵ Without a doubt, the Department of Defense is further streamlining, and DOD resources are likely to continue shifting from defense to other national priorities. As this occurs, however, we must ensure decisions are neither made in haste nor in a vacuum. The Program and Budget Decision (PBD) cycle of DOD's Planning Program Budget System (PPBS) is intended to do just that. PBD 910, the Consolidation of DOD Accounting/Finance, is but one product of this year's budget drill, and the culmination of a two year effort.

In February of 1989 President Bush commissioned the Secretary of Defense, Mr. Cheney, to perform a "self-appraisal" of the Department of Defense -- an assessment, if you will, of the DOD.⁶ After several months of examination, this assessment (the Defense Management Review (DMR)) concluded that significant savings -- approximately \$150 million per year -- could be achieved, if finance and accounting functions improved, and they were

consolidated at DOD level.⁷ Hence, on 20 January 1991 the Defense Finance and Accounting Service (DFAS) was formed and chartered "to control, direct, and standardize policies, standards, systems, and operations of DOD finance and accounting functions."⁸

In essence, this newly formed Defense Agency transferred the United States Army Finance and Accounting Center (USAFAC) (along with all other uniformed services finance centers) from Army to DOD control. The immediate shift in DFAS-Indianapolis' (aka USAFAC) workforce and leadership, to include the mix of military and civilian, generated enormous concern within the Finance Corps. Military positions were reduced by approximately 50% and civilianization became the byword.⁹ More importantly, the lone Finance Corps' General Officer billet in the DFAS-Indianapolis (DFAS-I) structure was transferred (eliminated?) from the "Finance Center" of old to DFAS headquarters in Washington.

These actions were disconcerting to the Finance Corps' young, and concerned the Corps' senior leadership. Many of the same rumors of the mid-eighties began resurfacing: "the Finance Corps is past history!" and "the Finance Office is to be completely civilianized."¹⁰ Quite frankly, we (the Finance Corps) have over-reacted. After all, it seems logical that DFAS-I should be manned primarily by civilians, since they are responsible for DFAS-I's peacetime and wartime missions. Hence, it should follow that civilian vice military leadership be in-place to oversee operations. So long as the Finance Corps' senior military leadership is kept abreast of policy and procedural changes

regarding finance and accounting operations and the Army Finance Corps, control of DFAS-I, military/civilian mix, and displacement of the General Officer position to Washington D.C. becomes ancillary. We need to focus more on reality and support economy and efficiency! Program Budget Decision No. 910, which approves the implementation of Defense Management Review Decision (DMRD) 910, does just that. It generates additional savings by standardizing, consolidating, and further improving finance and accounting, and provides the basis for a more efficient and effective finance operation.¹¹ With DFAS assuming full responsibility for the service components' finance and accounting functions, to include consolidation (vice regionalization) another \$295 million in savings could be gained by FY 97.¹² Prior to PBD 910, travel and other finance and accounting functions were to be regionalized at various service centers throughout the Continental United States (CONUS) and Overseas (OCONUS). However, under consolidation, for example, travel vouchers for all CONUS-based DOD components would be centralized at one site. Whether assigned to Ft. Hood, Texas, or Norfolk Naval Base, Virginia, or Macdill Air Force Base, Florida, travel vouchers would be submitted to one site. Savings? Absolutely!! For, as opposed to several sites, there is now (or will be) only one installation or post responsible for processing DOD travel. First "streamlining," then regionalization and capitalization, and now consolidation. Some could say there is a hidden agenda in DOD's proposal; that PBD 910 and the study undertaken to determine "the disposition of tactical

finance and accounting operations," all but spells-out the elimination of the Finance Corps.¹³ Thus, the real issue perceived by many is not savings, but rather the future of the Finance Corps. Nothing new; we have been down this road before, and as our history will attest, there remains a vital and most demanding need for finance on the battlefield. The remainder of this study will support such a conclusion by briefly drawing on our roles in history, and reflecting on our wartime contributions during Operations Desert Shield/Desert Storm.

HISTORICAL PERSPECTIVE

"That there be one Paymaster General and a Deputy under him, for the Army, in a separate department; that the pay for the Paymaster General himself be one hundred dollars per month, and for the Deputy Paymaster under him, fifty dollars per month."¹⁴

Such was the resolve of the Continental Congress during its session in Philadelphia on the 16th of June 1775, and so were the beginnings of the United States Army Finance Corps.¹⁵ Our charter:

"That it shall be the duty of the said paymaster, to receive from the treasurer, all the monies which shall be intrusted to him for the purpose of paying the pay, the arrears of pay, subsistence, or forage, due to the troops of the United States."¹⁶

More than two hundred and sixteen years ago, our forefathers recognized that soldiers required some form of payment for their duty and service, and that some organization, some agency had to be

charged with the responsibility of paying soldiers. As such, the Paymaster Corps of 200+ years was structured with one Paymaster General, two deputies, and a number of line officers detailed to perform the pay function.¹⁷

As time evolved, however, the Continental Congress recognized the need for specialization and abolished the Paymaster Corps in 1821, establishing in its place a separate department to administer and discharge the financial needs of the Army -- the Pay Department.¹⁸ Since then, depending on the whims of Congress and the Unions' state of affairs, the department has either grown or been reduced. The mission, however, has rarely fluctuated; to the contrary, it has steadily grown and become a critical support ingredient on the battlefield.

During World War II, for example, the Corps' mission ran the gamut of service support. They not only paid ten million soldiers, civilians, and dependents (at home and abroad), but also paid commercial vendors, native laborers, prisoners of war, and performed the central funding and currency exchange roles for our Army.¹⁹ Furthermore, during the initial stages of the war, the Chief of Finance was also "charged with the additional responsibility of assisting the Government's effort to finance the war and of reducing spending on the part of the soldiers by the sale of war bonds."²⁰

During the Korean and Vietnam conflicts, the mission and tasks of the present-day Finance Corps (designated as such on 20 July 1950) were equally as intense. Partial payments, coupled with the

high volume of commercial accounts payments for local procurement, were a significant part of the Finance Corps' wartime mission. Additionally, central funding, agent funding, foreign currency exchange, maintenance and control of Military Payment Certificates (MPC), regular military pay service, and "front-line" pay inquiries were also significant.²¹ Notwithstanding the shortage of personnel at the onset of hostilities, however, finance support during the Korean and Vietnam wars was crucial, and contributed in large part to the overall success of each campaign. Once again the Finance Corps was on the leading edge on of the battlefield. Pay missions were accomplished, currency control was established, and vendor services/local procurement were in-place.

In between the Vietnam Conflict and the Gulf War, the Finance Corps was involved in other major operations. In my opinion, the most significant was Operation Urgent Fury -- the invasion of Grenada. For me, it was the pivotal point of our doctrine, for it reaffirmed the sustaining role of the TOE Finance Corps, reinforced the need for finance soldiers in war/combat operations, and provided the foundation for future (now current) operations. As such, the Finance Corps' sustainment mission (essentially its tactical service/support role) is now clearly defined in United States Army Field Manual (FM) 14-7, Finance Operations:

"The Finance Corps' mission on the Airland Battlefield is to sustain [emphasis added] Army, joint, and combined operations by providing timely commercial vendor and contractual payments, various pay and disbursing services, and limited accounting on an area basis. Finance units also have the implied mission to

protect and defend themselves to continue sustainment of the force and maintain battle freedom for combat units to engage the enemy."²²

SUSTAINING THE FORCE

The issue of sustainment has never been more crucial than it is today. As another United States Army War College (USAWC) student noted in his individual study project of two years past:

"LIC planners (especially those concerned with so-called Third World countries in Central/South America and Southwest Asia) are finding that sustaining the deployed force is perhaps the most critical and worrisome issue facing some of our Unified Commanders-in-Chief (CINCs)."²³

Such was the case during Operations Desert Shield/Desert Storm; however, not to the extent of past conflicts. Finance TOE elements were included early-on in the deployment phase and established operations, executing the Principles of Support outlined in FM 14-7 with precision and timeliness. From providing procurement support, banking and currency support, and currency control, to providing essential personal finance services (military and civilian pay support), non-US pay support (to enemy prisoners of war), and finance advice/guidance to commanders, these principles guided finance units and bridged the sustainment gap from start to finish.²⁴ More importantly, they confirmed an unprecedented need for the U.S. Army Finance Corps on the battlefield.

The principle of "support of the procurement process" was crucial during the initial stages of the Gulf War, since supplies

and equipment were not available early-on in the campaign. Anticipating such, the 18th Airborne Corps deployed a Finance Team and Contracting Officer at the very onset. The Finance Team "hit the ground running" on the 8th of August 1990, successfully performing its mission with the 82nd Airborne Division, and laying the groundwork for the following brigades.²⁵ It was, however, the long term operation established by the 18th Corps Finance Group (Airborne) (18th CFG) that contributed the most towards sustaining the CINC's deployed force. The 18th CFG alone disbursed over \$475 million in commercial operations, \$74 million of which was for small/local purchases of equipment and supplies.²⁶ Class A Agents and Ordering Officers were seen throughout the theater and were constantly purchasing needed supplies and equipment, and obtaining contract services for required and essential services. As a result, the CINC's ground force was well-equipped and supplied to launch what has been described as the most overwhelming offensive operation in the annals of military history. Such support of combat forces clearly demonstrates the Finance Corps' ability to enhance combat operations, to make a difference and to become a force multiplier. Lieutenant General, then Major General, William G. Pagonis best described the Finance Corps' performance in Saudi Arabia in a message to the Deputy Chief of Staff for Operations, Headquarters Department of the Army by saying:

" Having been here from the start, I can attest that the rapid build-up just could not have been accomplished without the contribution of the Finance Corps, particularly in supporting procurement operations. Finance placed purchasing power in the

commander's hands by allowing ordering officers to immediately procure goods and services from the local economy to sustain our forces. This has become especially important, given our very extended supply lines. ...They serve as true combat multipliers by enabling the log base to be established as commanders obtain what they need locally."²⁷

In addition to critical procurement support, the 18th CFG also established a central funding site, which supported the principle of "banking and currency support." Close coordination with the U.S. Embassy and the Federal Reserve, coupled with frequent liaison with the Saudi Arabian banking system and USAREUR, resulted in a full-fledged wartime theater "military banking operation." Cash collecting and funding services were provided to the Army and Air Force Exchange and the U.S. Postal systems, cash exchange and bill-paying service was provided to our soldiers (a "money order" capability); and adequate currency was available to satisfy all in-country financial obligations. The 18th CFG's "banking and currency" role not only mirrored that of FM 14-7 ("supplying U.S. currency, foreign currencies, U.S. Treasury checks, ...to U.S. Forces and allies in the theater"), but also exceeded the standards of service contained therein.²⁸ Positive feedback from Battalion and Brigade Commanders, and the AAFES in-country hierarchy, regarding our "bill-paying" and funding support -- especially of the Tactical Field Exchanges (TFE's) -- firmly attests to the latter, and equally supports the critical need for military banking in a combat theater/wartime environment.

A third principle, "controlling currency on the battlefield," was also exercised successfully during Operations Desert

Shield/Desert Storm. From securing captured funds, to retrieving monies from KIA or MIA, to establishing policies governing "combat payments," personal check cashing, and use of MPC and foreign currency, the 18th CFG met every challenge. Early-on in the campaign, policies limiting casual payments, restricting the use of U.S. dollars, and destroying currency (under emergency conditions) were established and incorporated into OPLANS and contingency plans. In so doing, potential economic disasters caused by black market operations and currency inflation were averted.

Of the many principles supported, however, the most apparent and visible to the soldiers and civilians in theater was that of providing financial services -- military, civilian, and travel pay.

18th CFG finance units worked around the clock, 7 days a week, accommodating commanders, soldiers, airmen, sailors, marines, DA civilians, NAF employees, and DA contract personnel. Whether it was currency conversion, casual pays, or travel pay; check-cashing/bill-paying; pay inquiry, or pay change processing; distributing Leave and Earning Statements, processing claims; or fielding (and responding) to civilian and military pay issues, every single finance soldier had but one thought in mind -- "to support and serve." The 18th CFGs' statistics bear this out: \$27.4 million in casual pays, \$18.4 million in check cashing, almost \$1 million in travel pay, and \$7.1 million in currency conversion. When combined with procurement disbursements of \$530 million, the incalculable number of pay transactions and inquiries processed, and the hundreds of pay issues resolved, there is no doubt that the

Finance Corps' role during Desert Shield/Desert Storm was equally important as that of any other combat support and combat service support unit.²⁹

The principles of support outlined in FM 14-7, however, extend beyond the CINC's forces. They also encompass the pay support of enemy prisoners of war (EPW) and civilian internees. It was in this regard that much preparation and coordination was effected with the 800th Military Police Brigade (the major subordinate command responsible for the Gulf War EPW mission) to ensure finance procedures and assets were established and identified to support EPW operations both at Corps and Theater levels. Although the 800th MP Brigade had a small number of finance personnel assigned, the majority of finance support came initially from the 18th CFG.³⁰ Hence, provisional EPW teams were identified within the 18th CFG structure, and subordinate Finance units were given a "be prepared/augment" mission. The Group was prepared to process 2,500 enemy prisoners of war a day, and dedicate between 60-180 soldiers (based on estimates of 100,000 to 300,000 EPWs) to the EPW effort.³¹ Had the Saudi Arabian government not been as quick to take custody of Iraqi soldiers as they were, the 18th CFG would have been further absorbed by the EPW finance support mission.

Clearly, the tactical finance structure made a vast difference during Operations Desert Shield/Desert Storm. It provided the wherewithal to sustain forces early-on, and established the infrastructure to support the Commander (logistically and financially) during all phases of combat operations. Simply

stated, the Finance Corps accomplished its mission. Notwithstanding the field and combat conditions, inadequate communication links, frequent moves (in support of offensive operations), the desert environment, limited infrastructure, and poor lines of communication (LOC's), the TOE Finance Corps never faltered. Tactical finance units supported the procurement process, provided banking and currency support, controlled currency on the battlefield, provided essential finance service support, essential military pay support, travel pay support, civilian pay support, non-U.S. pay support, appropriated and non-appropriated accounting support, and provided financial advice and guidance to commanders at all levels, regardless of hour, regardless of day. During the "acid test" of combat, the Finance Corps, once again, proved its value and worth with respect to sustaining our forces, and accomplishing the Army's mission.

THE ISSUE

Having demonstrated our resolve and relevance from early times, why question the viability of the Finance Corps? Have our past achievements not adequately supported our importance on the battlefield? Why study "the disposition of the tactical finance and accounting organization?" The obvious answers relate to the "new world order," to issues such as a decreasing budget, downsizing, restructuring, and a reshaping of the force.

As noted in my introduction and background, the Department of

Defense has already tapped the finance community as a billpayer, and directed DFAS to consolidate and capitalize DOD's finance and accounting functions. In so doing, however, they have basically stripped the finance function from Army and the other services, and (inadvertently or advertently) left the tactical slice of each component holding the proverbial "bag." Bottom line: given current guidance in PBD 910/DMRD 910, there appears to be no place for the "green suit" TOE finance structure in the outyears. More savings? Absolutely!! (But at what cost?) Although PBD 910 does not specifically state it, the review of the tactical finance structure must conclude with a recommendation concerning its future. While history has certainly proven the need for finance support on the battlefield, the Department of Defense is strongly committed to further savings. How do we resolve this dilemma? More importantly, how do we remain a viable and contending force in the future, and simultaneously provide resource savings to DOD?

OPTIONS

As I see it, there are three options we could pursue: a) consolidate the Finance Corps into another branch, logically the Quartermaster Corps; b) civilianize the Finance Corps and increase the Finance Reserve Component (RC) structure; or c) eliminate the bulk of the TDA Finance Corps, simultaneously reducing the number of TOE unit flags -- get smaller quicker -- and reorienting our peacetime functions/training.

First, I will address the consolidation of the Finance Corps into the Quartermaster Corps. While my professional background dictates a great demand for finance service to soldiers and family, my Desert Shield/Desert Storm experience dictates an even greater demand to support the commander's wartime efforts, to accommodate his wants and needs, and to supplement supply/procurement systems. On the surface, the idea of being absorbed by the Quartermaster Corps makes sense, since there is some commonality between the two branches -- both are primarily involved with sustaining the battle -- and a manpower and dollar savings could probably be realized. There is, however, one significant flaw. Finance expertise would quickly erode, and the administrative and support problems encountered during the demobilization effort of World War I would again prevail. As discussed below, we have been through this "melting" process before -- and on more than one occasion.

In the late 1870's, just as today, Congress was pursuing economy within the federal government. Though a number of proposals were entertained, Congress was convinced that the War Department could become more efficient, if the quartermaster, subsistence, and pay departments were merged into one agency.³² However, unlike today, the idea was immediately dismissed by Congress after General Meade informed Congress that the War Department was operating at peak efficiency and that any revamping of structure would generate inefficiency and introduce complexity.³³ It was not until the Spanish-American War that the issue of consolidation once again resurfaced. The logistical

problems experienced during the early stages of the war were pervasive -- inadequacies of supplies, clothing, and equipment; shortages of subsistence; transportation and distribution problems; and poor management and administration. This brought a strong recommendation by the McKinley Commission, chartered by President McKinley to review the administrative debacle of the Spanish-American War, to consolidate the quartermaster, subsistence, and pay departments under one head. Again, however, no immediate reforms were enacted because the Army convinced Congress that the ills of the Spanish-American War were due in great part to "general unpreparedness" and personnel shortfalls, not the "supply" departments.³⁴ In the early 1900's, however, a twist of events occurred. Then Secretary of War Elihu Root, not Congress, lobbied for the merger. The Secretary opined that the supply departments' independent operations were, in fact, responsible for the logistical catastrophes of the Spanish-American War.³⁵ By merging the three departments, Secretary Root thought he would not only fix responsibility, but also produce a much needed savings within the Department. As history would have it, the Secretary's proposal fell on deaf ears, and required legislation failed to pass. It was not until 24 August 1912 that Congress opted for economy and savings, and passed legislation to merge the quartermaster, subsistence, and pay departments.³⁶ That mandate survived only eight years. Demobilization problems during World War I caused the Secretary of War to submit a bill to Congress in 1919 to reorganize the War Department. His justification was quite simple and

pointed: inadequate force structure and the loss of expertise in the "supply" departments during the post war years. Congress passed the National Defense Act on 4 June 1920, which vested the authority in the President to make distribution of functions and to retain a separate agency to handle the finance function.³⁷ Accordingly, the Finance Department was again the sole proprietor of the War Department's financial activities.

As previously noted, a merger with the Quartermaster Corps appears superficially sound. It not only meets the monetary and personnel savings test, but also retains the tactical finance function in the force structure. One major flaw, however, prevails -- the loss of expertise and specialization. A merger with the Quartermaster Corps (or any other branch) would cause those special and critical military financial skills (crucial and necessary throughout history) to perish over time, and would ultimately create a void on the battlefield which would be most difficult to fill. Given the austere fiscal environment of present and future, we cannot afford such a situation to develop. The likelihood of adding force structure -- let alone finance force structure -- in the future is quite remote. Conversely, the likelihood of losing finance expertise (on and off the battlefield) is extremely high, with the consequences irreparable.

Under the second alternative, civilianizing the Finance Corps and increasing the U.S. Army Reserve force structure, the active duty Finance Corps would basically disappear, except for a small cadre of active duty officers and senior non-commissioned

officers at the Finance School, Major Commands (MACOMs), and DFAS-I. Responsibilities for the active duty contingent would vary but be limited, running the gamut of peacetime leadership at the U.S. Army Finance School to providing technical expertise/liaison at MACOMs and DFAS-I. Responsibilities for wartime and peacetime functions would rest solely with the United States Army Reserves and Department of the Army civilians. Using the Gulf War as an example, Reserve Component finance units would have been activated and deployed to Saudi Arabia at the outset, and civilians would have provided most, if not all, of the CONUS-based finance support. Although this option meets the savings test (since a significant economy of scale would be realized) and retains the tactical finance function -- albeit in the Reserve Components -- it would be most challenging. Doable, yes; risky, undoubtedly. The down-side of this option is the turbulence created on the battlefield, especially early-on in the campaign. Although RC finance personnel did a superb job supporting CONUS-based operations during Operations Desert Shield/Desert Storm, a large factor contributing to their success was the outstanding civilian and active duty military finance personnel available. The reserve finance soldier trains but one weekend a month, and in more cases than not, spends only two weeks in a finance office during annual training. As was the case during the Gulf war, some train-up time would be required, and supervision/leadership a must. Even though military cashiering functions and some disbursing and accounting functions are basically similar to those in the private sector, the majority of

tactical finance functions require additional training. A case in point is the Reserve finance unit that deployed to Saudi Arabia. Though this unit was committed, enthusiastic, and willing to perform, it took 60-90 days to train them to standard on basic finance functions. Our Army needs a Finance Corps that is ready, trained, and able to deploy at a moment's notice and provide **IMMEDIATE** support to commanders at all levels, as was done in Grenada, Panama, and Saudi Arabia. To rely solely on the Reserve Components would be taking a significant and unnecessary risk.

The third option proposes the elimination of the TDA Finance Corps (except for a few positions at the Finance School and MACOMs), while simultaneously reducing TOE flags and reorienting peacetime efforts. Quite frankly, this alternative may best suit the needs of the DOD and our Army. Savings can be generated, and a slice of current TOE finance structure will remain to support the tactical financial needs of the CINC.

It is my view that total civilianization of installation TDA finance and accounting offices would provide a stable finance force to support any future contingencies. As was the case at Fort Sill, Oklahoma, during Operations Desert Shield/Desert Storm, the civilian finance and accounting workforce did a magnificent job. They conducted the POM (Processing for Overseas Movement) board, while the soldiers of the 230th Finance Support Unit (FSU) trained and prepared to deploy, and they provided the support processing base for the forward element of the 230th FSU during combat operations.³⁸ Additionally, with the current drawdown of military

forces both here and abroad, a 33% reduction of the current TOE Finance Command structure is conceivable, especially in light of the one Corps scenario proposed in Europe. Presently, there are three Colonel-level finance commands in the United States Army Europe (USAREUR). Given the one Corps concept, I submit that one Colonel-level Command is sufficient to support the TOE Army in Europe. The 9th Finance Group and the 5th Finance Group should be inactivated, leaving the 266th Theater Finance Command (TFC), with its civilian augmentation, as the sole Finance Colonel Command in USAREUR. In so doing, a Theater-level command will be retained in Europe (similar to that of Korea) to provide the requisite command and control and to oversee the drawdown of TOE finance assets in USAREUR. Not only do we reduce the current Colonel-level Finance Commands from six to four (two CFGs to support two Corps in CONUS and two TFCs to support two theaters OCONUS -- one east, Korea, and one west, Europe), but also position ourselves to take a proportionate cut in finance battalion-level commands. Seems logical; is doable; and most importantly, aligns finance TOE force structure with current Army thinking of theater level support to the warfighting CINCs.

It is the third part of the option -- refocusing of peacetime efforts -- that commands immediate attention. During a recent conversation with a senior Finance Corps' officer, it was suggested that we relook the Finance Corps' training philosophy and priorities, and concentrate more on performing and polishing wartime functions, (such as central funding, enemy prisoner of war,

and commercial vendor services) vice accomplishing traditional military pay functions.³⁹ Makes sense, especially in light of DOD finance consolidation, for with the various finance and accounting functions now being consolidated, I believe the TOE Finance Corps will soon be reduced to a mere customer service cell. Accordingly, we must now begin further integrating our wartime functions into peacetime scenarios. With our recent experience in the Gulf, it is certainly feasible. The following are but three examples of changes that could be implemented immediately.

First, we become active players in the installation contracting process/function. We not only train our soldiers in procurement, but also train those we support. During the onset of hostilities in the Gulf, only a hand-full of commanders realized the importance and significance of local procurement and contracting. Consequently, few if any officers were on orders either as ordering officers or Class A Agents. The net result of this oversight generated increased administration in the unit, and required the immediate training of officers on local procurement procedures. Had we not had the luxury of time, many purchases of supplies and equipment in preparation for the war would not have occurred. Show-stopper? Not sure. A slowed operation? Most assuredly. In essence, commanders need to be better prepared, need to "learn to do by doing." Unit personnel must employ local procurement procedures during field exercises and at the National Training Center (NTC) so they are comfortable and prepared to execute similar procedures during times of hostilities. Commanders

must be given limited authority to make local purchases, whether it be for repair parts or subsistence, and actually walk through the process whenever they depart their garrison areas and train. Finance soldiers in-turn need to be with them, advancing cash to their Class A Agents, taking their returns, and processing local purchase vouchers.

Second, the supporting Finance Commander needs to be given the latitude to perform military banking on the installation, whether CONUS or OCONUS. Personal checks should be cashed, limited bill paying (such as local utility bills, phone bills, etc.) should be allowed, exchanging U.S. Treasury checks for cash should be permitted, and limited currency conversion (for PCS personnel) should be performed.⁴⁰ Risks? Definitely! Critical functions? Even more so! Problems with the chartered installation Military Banking Facility (MBF)? Not if we tailor our services, such as "banking hours," to preclude any semblance of competition. The real challenge is making it happen; making it the rule rather than the exception.

Third, continue to field Finance Support Teams. Whether in garrison or in the field, collocate (if at all possible) with the supported unit. A number, if not all, TOE finance units are currently engaged in such practice; however, we need to do more and be innovative. Make certain that field commanders know finance unit capabilities. Some ideas: process inquiries, pay changes, etc, in a field environment; work hand-in-hand with the Personnel Action Center (PAC); put a 73C (finance specialist) in the PAC --

be a part of the team.⁴¹ Be tactical and become an integral part of exercise play; train as soldiers/with soldiers; force the issues, and do not settle for "traditional" finance officer roles. Bottom line: contribute to the warriors' mission and be a force multiplier.

Our mission is clear. In brief, we need to do other than finance and accounting functions in a peacetime mode. We need to prepare for war and the finance functions performed in war. We need to use our experience from the Gulf War and capitalize on lessons learned. We need to pursue modernization, and develop and export communication/software packages and pay systems that enhance the aforementioned peacetime training efforts, and ultimately heighten our wartime readiness posture.

CONCLUSION

Is there a continuing and future role for tactical finance and accounting organizations and functions? As demonstrated from the beginnings of our Army to present, the answer is a resounding yes!! The Finance Corps has a most important and critical mission to perform during combat-- sustaining combat operations whether joint, combined, or otherwise. As best said by Lieutenant General Pagonis, then Commander 22nd SUPCOM, to HQDA, "... there is definitely a need for a TOE Finance Corps structure in our Army. It works and should not be civilianized nor combined with any other branch."⁴²

The challenge, however, is how to articulate this to DOD. How best to convince DOD and DFAS that there is a place for the tactical finance and accounting organization in tomorrows' smaller, but more versatile, powerful, and CONUS-based Army? Throughout history we have demonstrated our viability and capability through performance. From the American Revolution to the Persian Gulf War, the Finance Corps has successfully accomplished every mission, every task, regardless of obstacle or challenge, and contributed immensely to the many battle campaigns of the United States Army. Hence, the most obvious and best way to promote the Finance Corps is to continue doing our jobs professionally, and accomplish the spectrum of current missions with excellence. Second, we need to communicate this to DOD and DFAS, and to lobby, both within and outside the Army, for the Finance Corps. The first challenge is the responsibility of our "field" leadership, the second, however, lies in the charge of our senior leadership. It is in that regard that the Commandant, United States Army Finance School and Chief of the Finance Regiment established a Finance Board in 1991. Consisting of the Corps' most senior leaders, the board's charter is to stay abreast of all issues affecting the Finance Corps, to assist in the resolution of major issues, and most importantly, to "chart the Corps' path for the future."⁴³ In my opinion, the Finance Board has done an adequate job to date. They have responded to every regionalization/consolidation challenge put forth by DFAS, and kept pace with the dynamics of PBD 910 and DMRD 910.

Will there be a Finance Corps in the future? Absolutely!! It will be a smaller and more tactically oriented Corps, but it will continue to serve the needs of the Army, both in peace and war. The future Finance Corps will be mobile, reactive, and equally versatile; be better trained, better equipped, and better postured to support any CINC, anywhere, and anytime.

What advice should be given to junior officers and enlisted personnel, regarding their future in the Finance Corps? First, assure them that there will be a TO&E Finance Corps 1995 and beyond, and second, tell them that their future is contingent on their present. They must focus on doing their jobs, doing what they do best -- soldier! Let them know that the Finance Corps' future will be in the hands of those who embrace the basic principles of leadership outlined in U.S. Army Field Manual 22-100, Military Leadership; to those who know themselves and seek self-improvement; who are technically and tactically proficient, seek responsibility and develop their subordinates; to those who lead and accomplish the mission. Finally, inform them that the sky is not falling; cloudy and turbulent maybe, but not falling. Just as we have in the past, the Finance Corps will once again weather the storm. We will emerge through this DMRD study process with a tactical Finance Corps -- trained, equipped, and ready to provide and maintain "the sustaining edge" for commanders at all levels.

ENDNOTES

1. Defense Management Report Decision No. 910, sj: Consolidation of DOD Accounting and Finance Operations, undated, 1/7.
2. Personal phone conversation with LTC Teddy A. Stout, TAPC-OPC, PERSCOM, 21 February 1992, sj: Current Finance Strength, Officers and Enlisted.
3. The purpose of this study is not to capture the Finance Corps' history from start to present; however, such can be found in the Finance Advance Course study of 1986 and Major Jeffery Eskridge's Master Thesis of 1989, Command and General Staff College.
4. Assistant Secretary of the Army for Financial Management, "The Army Budget -- FY92/93 President's Budget," April 1991, reflects defense and Army outlays (as a percentage of the Federal Budget) decreasing from 26.5% and 7.0% in FY 1989 to 20.1% and 4.8% in FY 1993, respectively.
5. Rick Maze, "Pentagon: House Budget Would Cut 400,000," Army Times, No.34, March 23, 1992, : 8.
6. Jim Tiry, "Overview of DOD Consolidation of Finance and Accounting Functions," All Points Bulletin, 28, (Nov 90) : 2.
7. Arnold R. Weiss, "The Defense Finance and Accounting Service," All Points Bulletin 29, (Mar91) : 4.
8. Ibid., 3.
9. Interoffice Memorandum, Finance School Commandant, sj: 1991 Year-End Message to the Finance Board, dated 2 Jan 92, : 2.
10. Russell H. Dowden Jr., "Finance Doctrine: The Evolution Continues," Resource Management, (Jun 86) : 8.
11. Defense Management Review Decision No 910, 1.
12. Ibid., 6/7.
13. Ibid., 7.
14. A.B. Carey, A Sketch of the Organization of the Pay Department, U.S. Army 1775-1876, (Washington D.C., Paymaster Department, 1876) : 1.
15. Ibid.

16. Ibid., 11.
17. Ibid, 1.
18. History of the War Department, "The Pay Department," (Washington D.C., 1879 ed) : 261; and Finance Corps 1775-1985, "A History of the U.S. Army Finance Corps 1775-1985," (U.S. Army Soldier Support Institute, Ft Benjamin Harrison, In, 1985) : 3.
19. Walter Rundell Jr, Military Money, A Fiscal History of the U.S. Army Overseas in World War II, (College Station, Texas A&M, 1980) : 157, and The Army Almanac, a Book of Facts Concerning the United States Army, (1950 ed) : 44.
20. The Army Almanac, a Book of Facts Concerning the United States Army, (U.S. Government Printing Office, 1950 ed) : 85.
21. Finance Officer Advance Course, "A History of the U.S. Army Finance Corps 1775-1985," Group Study Project, U.S. Army Finance School, (Ft. Benjamin Harrison, IN, 1985) : 19-27.
22. United States Army Field Manual 14-7, Finance Operations, (HQDA: 9 Oct 89) : 1-1.
23. Roger W. Searce, "Finance Support During Low Intensity Conflict: Providing the Sustainment Edge!," Individual Study Project, U.S. Army War College, (USAWC, Carlisle Barracks, PA, 1990) : 2.
24. Field Manual 14-7, 2-1 thru 2-5.
25. Briefing Charts 18th Corps Finance Group (CFG) (Airborne), Operation Desert Shield, Operation Desert Storm, undated.
26. Ibid.
27. 18th Corps Finance Group Briefing Charts, reflect passages of Major General Pagonis' message to the Deputy Chief of Staff for Operations, Headquarters, Department of the Army.
28. Field Manual 14-7, 2-1.
29. Briefing Charts, 18th Corps Finance Group, undated.
30. The 7th Corps Finance Group arrived in theater in late December and early January and were also tasked with providing EPW support.
31. 18th Corps Finance Group Briefing Charts, undated.

32. Erna Risch, Quartermaster Support of the Army, a History of the Corps 1775-1939, (Washington D.C., U.S. Printing Office, 1989) : 512.

33. Ibid.

34. Ibid., 515-556.

35. Ibid., 562.

36. Ibid., 562-565.

37. Ibid., 701-3.

38. Soldiers of the 230th FSU augmented the Preparation for Overseas Movement (POM) when they were not preparing for deployment or training, and were primarily responsible for the finance POM function after duty hours. Additionally, during the first week of POM operations, a Reserve Finance unit was at Ft Sill conducting its second week of Annual Training. They also were employed extensively at the POM site and finance office. In January 1991, a National Guard Finance unit augmented the Ft Sill FAO and the 230th FSU Rear Detachment, and provided additional manpower.

39. Personal Conversation with Colonel Roger W. Searce, U.S. Army War College, 11 February 1992, sj: The Future Role of the Finance Corps.

40. During the Persian Gulf War many soldiers deployed home-station without paying utility bills and other debts. Since a number of soldiers had their mid-month and end-of-month pay going to a savings vice checking account, in-country Finance Support Units were called upon to help liquidate these debts. After much coordination, U.S. Treasury checks were issued to the appropriate agencies/organizations, and the soldiers' pay account were assessed accordingly.

41. The idea of assigning a finance clerk to the Personnel Action Center was conceived by Colonel, then Lieutenant Colonel Richard Teters.

42. Briefing Charts 18th CFG, undated, reflecting context of MG Pagonis' message to HQDA.

43. Enclosures 1-4 of the Minutes of the Finance Board Meeting 3-4 May 91, undated.

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